



SMILE TRAIN UK

Annual Report 2020



MESSAGE FROM SMILE TRAIN INC., CEO AND THE SMILE TRAIN UK TRUSTEE

Dear friends,

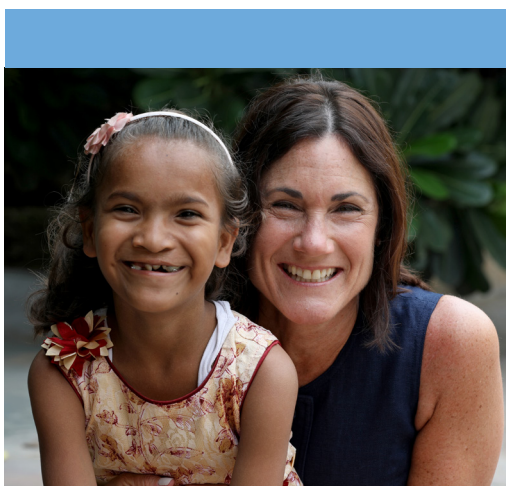
As Fiscal Year 2020 brought unprecedented challenges, I am proud to say that, thanks to the unwavering support of our donors, our global staff and partners were able to meet the moment with an unprecedented boldness, nimbleness, and dedication that was not only inspiring, but also quite literally lifesaving. When the pandemic shuttered many of our partner hospitals around the world to non-COVID-19 patients, local children with clefts were left with nowhere to go for the treatment they needed to eat, breathe, speak, and so much else — and with another baby with a cleft born every three minutes, the need grew greater with each passing day. We couldn't leave these babies to languish on waitlists, and because you believe in investing in the potential of local healthcare providers, we were able to be there for them, pivoting to enable remote therapy and pre-surgical consultations where possible and working with local healthcare authorities to resume lifesaving surgeries and other essential cleft care as soon as it was safe.

In this Fiscal Year like no other, you helped us:

- Sponsor **83,000+** cleft surgeries in **70+** countries
- Safely support cleft surgeries in **50+** countries at the height of the pandemic — nearly **10x** more than the next closest organisation
- Provide **10,000+** sessions of telehealth services to more than **7,500** patients in **60** countries
- Offer essential, non-surgical forms of cleft care in **35** countries, our most yet
- Work with LifeBox and the World Federation of Societies of Anaesthesiologists to create the first COVID-19 Surgical Patient Checklist, helping surgeons across the globe operate safely during the pandemic
- Host a side event at the **74th** UN General Assembly on paediatric surgery, child health, and universal health coverage, in addition to our work attending and advocating at the UNGA itself

Like all trains, Smile Train only knows one direction — forward. With you aboard, we believe that, even through the pandemic, we will continue to help our patients and partners come ever closer to our ultimate destination: a world where no child suffers or dies because they were born with a cleft, where every person has access to the safe, quality cleft care they deserve. No matter what.

And that is truly something to smile about.



Susannah Schaefer

Smile Train Inc., CEO and
The Smile Train UK Trustee

THE SMILE TRAIN UK

CONTENTS

OUR VISION	4
IT STARTS WITH A SMILE	5
MARIA'S STORY	6
MAP OF PROGRAMS WE SUPPORT	7
ONE GOAL. TO GIVE EVERY CHILD WITH A CLEFT A BRIGHTER FUTURE	8
TRUSTEES' REPORT.....	9 - 17
LEGAL AND ADMINISTRATIVE INFORMATION.....	10
INDEPENDENT AUDITOR'S REPORT	18 - 19
GROUP STATEMENT OF FINANCIAL ACTIVITIES	20
GROUP AND PARENT CHARITABLE COMPANY BALANCE SHEETS.....	21
GROUP STATEMENT OF CASH FLOWS	22
NOTES TO THE ACCOUNTS.....	23 - 29



OUR VISION:

A world where everyone has access to safe, high-quality comprehensive cleft care and is able to live a full and healthy life.



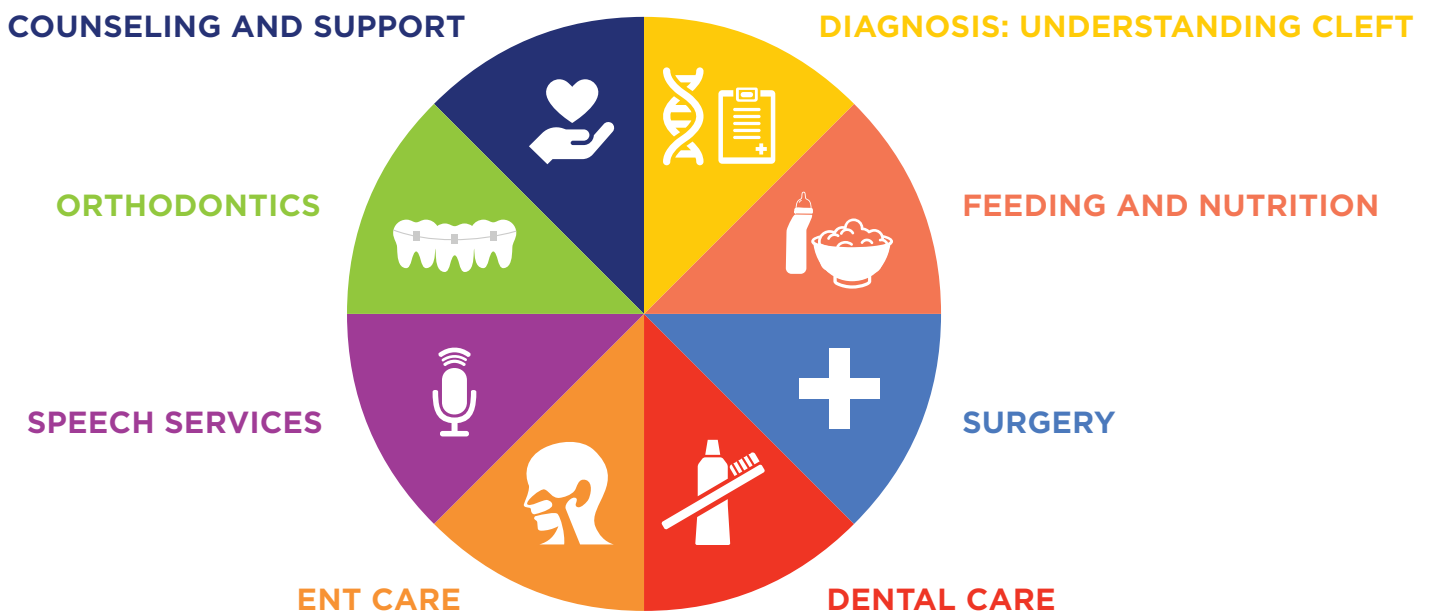
IT STARTS WITH A SMILE

Our Smile Train story is so simple, as it embraces the time-honoured proverb: Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.

From this ancient wisdom was born our pioneering, sustainable “teach a man to fish” model. It’s why we have always championed partnering directly with local hospitals to strengthen health systems and empower medical professionals to care for children in their own communities.

Your continued investment in Smile Train is thus a promise we make together to each and every patient: We will be there for you for your entire cleft journey. We will provide you with nutritional support to get you healthy enough for surgery. With speech therapy, dental treatment, and orthodontics for as long as you need to communicate clearly and smile your brightest. With psychosocial care until your emotional scars are as well-healed as your physical scars, and with whatever other care you need to thrive.

We represent our unique model — our promise to patients — as a wheel because all facets of cleft care are equal, and any area may come in and out of a child’s life at any time as they grow and develop.





MARIA'S STORY

Maria's smile radiates with the brilliant potential of the promises you help us keep. When she was born, her mother, Stella, couldn't feed her because her cleft made her choke on breast milk. She felt helpless as she watched her child waste away before her. Adding to the stress, Stella couldn't even leave the house with her baby without being subject to a barrage of stares and hateful comments. Guilt tore at her heart day and night — what if she did something to give her daughter her cleft?

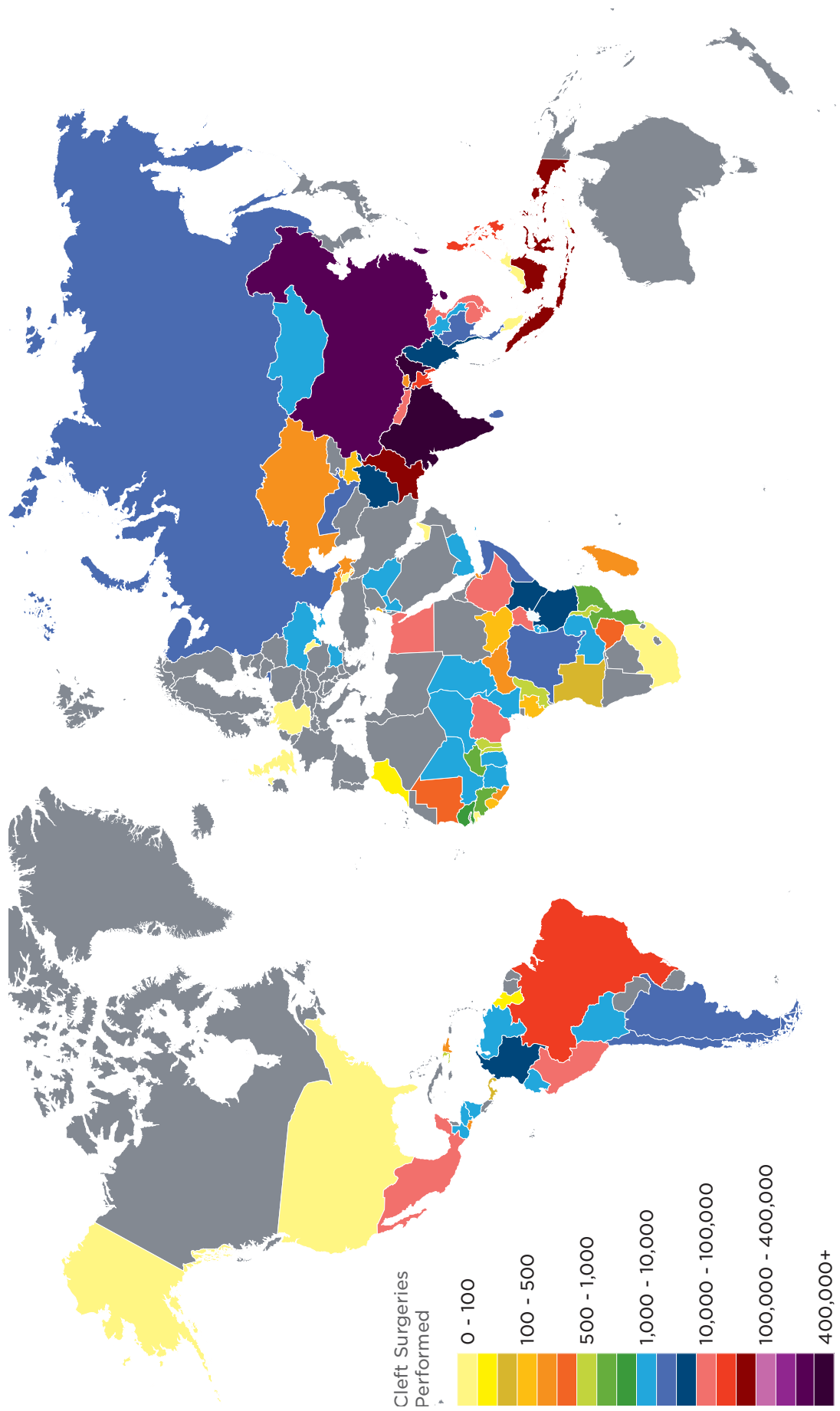
Then a neighbour told the family about a Smile Train partner hospital in nearby Bogotá, Colombia. There, the staff taught Stella how to feed her baby without her choking. They also taught her the facts about clefts. Knowing the truth helped Stella's guilt to disappear.

Even after surgery, however, Maria's teeth were misaligned. She had difficulty speaking and suffered anxiety. But this is exactly what makes Smile Train's unique model so essential. Thanks to you, Smile Train was able to sponsor services like orthodontics and speech therapy at the exact time she needed them, all at no cost to her family.

Now, this once shy girl doesn't walk outside, she dances. She is a shining star who brightens every room she enters and brings a smile to every person fortunate enough to meet her. That's the lifesaving power of Smile Train's holistic, local model of cleft care. That's the power of a smile.



SMILE TRAIN SHOWING THE WORLD THE TRUE POWER OF A SMILE AROUND THE GLOBE



Map as of July 2020
*Smile Train has provided support for cleft organizations in the U.S. and U.K.

Smile Train, Inc. can accept donations worldwide and has fundraising offices in Brazil, Germany, India, Indonesia, Mexico, Philippines, U.A.E., U.K. and U.S.



ONE GOAL. TO GIVE EVERY CHILD WITH A CLEFT A BRIGHTER FUTURE.

40,000+
training opportunities

1,100+
partner hospitals

1

goal: to give every child with a cleft the opportunity for a healthy, productive life

1,500,000+

surgeries performed on people of all ages since our founding in 1999

35

countries where Smile Train offers essential non-surgical cleft care services

90+

countries where Smile Train has sponsored free cleft treatment



540

babies are born each day with a cleft

3

every 3 minutes another baby is born with a cleft.

2,100+

trained medical professionals — including surgeons, anaesthesiologists, orthodontists, and nutritionists around the world



THE SMILE TRAIN UK TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2020

Charity Registration No. 1114748
Company Registration No. 05738962 (England and Wales)

THE SMILE TRAIN UK LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

S Schaefer
E F Monopoli
R Reichbach
S Stinton Resigned – 13 June 2020
T Poliakova
S Dransfield
C Teasdale Resigned – 15 June 2020
A Nasr Resigned – 27 March 2020

KEY MANAGEMENT PERSONNEL

Director of Fundraising, Manager of Direct Marketing and
Smile Train's CEO and VP of Finance

SECRETARY

BWB Secretarial Limited
10 Queen Street Place
London
EC4R 1BE

CHARITY NUMBER

1114748

COMPANY NUMBER

05738962

PRINCIPAL ADDRESS

201 Borough High Street
London
SE1 1JA

REGISTERED OFFICE

C/O Bates Wells & Braithwaite London LLP
10 Queen Street Place
London
EC4R 1BE

AUDITOR

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

BANKERS

HSBC Plc
60 Queen Victoria Street
London
EC4N 4TR

SOLICITORS

Bates Wells & Braithwaite London LLP
10 Queen Street Place
London
EC4R 1BE

THE SMILE TRAIN UK TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2020

The Trustees, who are also the directors of The Smile Train UK (“the Charity”) for the purposes of company law, submit their annual report and the audited financial statements for the year ended 30 June 2020. Its subsidiary undertaking, The Smile Train UK Trading Company Limited, was incorporated on 20 June 2014. The company is wholly owned and the Trustees’ report and accounts have been prepared for the Group.

The Trustees confirm that the annual report and financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity’s Memorandum and Articles of Association, the Companies Act 2006 and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Trustees’ report is also the directors’ report required by s417 of the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

MANAGEMENT OF THE CHARITY

The Board of Trustees (which has a minimum of three) is the body responsible for the management of the Charity. The Board meets periodically as needed and aims to meet quarterly each year. Implementation of the day to day activities of the Charity during the fiscal year was undertaken by I Vallance, S Curtis (Manager, Direct Marketing until 16 March 2020), S Selby (Senior Manager, Direct Marketing from 20 April 2020), S Schaefer and B Gonzalez. S Schaefer and B Gonzalez are employees of Smile Train, Inc. (“Smile Train”) and neither of these two receive any remuneration from the Charity for this work. S Schaefer and R Reichbach, directors of Smile Train, Inc., were also Trustees of the Charity and receive no remuneration from the Charity. In addition, during the year there were six Trustees who are not on the Board of Smile Train, Inc. nor are they paid employees or consultants of Smile Train, Inc. This governance arrangement is in accordance with the Articles of Association of the Charity. All major and strategic decisions regarding the Charity are approved by the Charity’s Board of Trustees.

Smile Train, Inc. is a US-based non-profit organisation headquartered in New York City. Its offices are located at 633 Third Avenue, New York, NY 10017. Smile Train, Inc. and the Charity are dedicated to helping children worldwide who are born with cleft lips and palates. This is stated in the Charity’s objects. Smile Train, Inc. has charitable affiliates operating in Brazil, Germany, India, Indonesia, Mexico and Philippines. Smile Train, Inc. and the Charity share common goals, objectives and a management team. The Charity benefits from a number of donated services from Smile Train, Inc., including the time of Smile Train, Inc. employees, for which the Charity is not charged. Further details of these donated services are provided in Note 6 of the financial statements.

Smile Train, Inc. is the sole company law member of the Charity. The Charity is therefore a subsidiary of Smile Train, Inc. although the Board of Trustees of the Charity are responsible for its day to day management and ensuring it furthers its charitable purposes. Smile Train, Inc. is controlled by a Board of Directors who has nominated R Reichbach, a Director of Smile Train, Inc., as their authorised representative for all dealings with the Charity as sole member.

GOVERNING DOCUMENT

The Charity is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association, as amended by special resolutions dated 23 March 2006, 29 August 2012, and 11 October 2013.

Smile Train agrees to contribute £1 in the event of the Charity winding up.

The Charity is a registered charity with the Charity Commission (Charity registration no. 1114748).

Since the issuance of the updated Charity Governance Code in July 2017, the Charity has utilised the Code as a support tool for the Trustees to reflect upon its current governance structures and consider the ways in which the Charity and its Trustees currently apply the Charity Governance Code’s seven principles and recommended practice.

The Charity already applies a considerable number of the recommended practices, where applicable, relating to each of the Charity Governance Code’s seven principles and is committed to further improvement of the Charity’s governance

standards to increase its overall effectiveness as an organisation. With our Trustees, we have ensured we are substantially compliant with the code. The following are areas where we have not applied the code's provisions, and deemed unnecessary, considering the small size of its board of trustees:

- The code recommends that the board have a vice-chair or similar who provides a sounding board for the chair and serves as an intermediary for the other trustees.
- The code recommends that the Charity consider using a nominations committee to lead the board appointment process and to make recommendations to the board.

APPOINTMENT AND ELECTION OF TRUSTEES

Trustees shall be appointed by resolution of the sole member for a renewable term of three years.

None of the Trustees has any beneficial interest in the Charity and none is a member of the Charity.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

S Schaefer	
E F Monopoli	
R Reichbach	
S Stinton	Resigned – 13 June 2020
T Poliakova	
S Dransfield	
C Teasdale	Resigned – 15 June 2020
A Nasr	Resigned – 27 March 2020

INDUCTION AND TRAINING OF TRUSTEES

Once appointed, Trustees are briefed on their legal obligations under charity and company law, provided with a copy of the Memorandum and Articles of Association of the Charity and the current budget and updated on the business plan and recent financial performance of the Charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

COVID-19

The ongoing COVID-19 crisis has impacted Smile Train's planned programmatic activity. In many countries and regions, Smile Train partners postponed surgical treatments, comprehensive cleft care treatments, and various educational initiatives due to the crisis. However, due to the size and breadth of Smile Train's global programs and our sustainable model, the impact of COVID on our treatment programs has been well-managed with essential surgical treatments, comprehensive cleft care treatments, and educational initiatives still being safely provided across most Smile Train partner hospitals during the pandemic.

In addition, the Charity's staff are now working from home and are practicing social distancing. The Charity's management personnel are actively engaged with assessing the likely impact of the crisis and are reporting to the Trustees regularly.

RISK MANAGEMENT

We are committed to identifying, monitoring and managing the risks that might adversely affect the activities in which we are involved. In this context, risk is defined as the potential to fail to achieve the Charity's objectives and for loss, financial and reputational, inherent in the environment in which we operate and in the nature of the transactions undertaken.

There has been in place throughout the year an on-going process for identifying, evaluating and managing the significant risks faced by the Charity, which has been regularly reviewed by the Trustees. Appropriate actions have been put in place to mitigate the exposure to and the consequences of these risks.

The principal risk facing the Group is the downward trend in income. The risk is considered regularly at meetings by Management and the Trustees, which allows them to respond quickly to changing events so as to reduce adverse effects on the Group's risk profile.

The Charity expects minimal impact on fundraising from the COVID-19 crisis. There will be a small decrease in Community and Athletic fundraising due to most physical events being postponed and/or cancelled. However, there is opportunity through virtual events to help minimize the decrease in donations. Legacy donations may see some impact due to decreases of property and stock market values. Other income streams like DRTV, Digital, Direct Mail, Corporate and Sustainer should perform as expected as our core donors have not been impacted by COVID.

SAFEGUARDING

We recognize that, in the course of our charitable activities, Smile Train and its partner's may come into contact with people who may be at increased risk of abuse and/or exploitation, particularly children and those living in poverty. We are committed to safeguarding children and vulnerable adults and ensuring that their rights to protection are realized. We believe that it is always unacceptable for a child or vulnerable adult to experience abuse of any kind and we recognize our duties of care to all children and vulnerable adults where our operations necessitate contact with them and/or have an impact on them.

OBJECTIVES AND ACTIVITIES

As stated in the Memorandum and Articles of Association, the objects of the Charity are:

1. to relieve the suffering of children with cleft lips or palates or both;
2. to advance the education and training of the public, including doctors, nurses and medical support staff in all matters relating to cleft lip and palate surgery and treatment and the support of those with this condition; and
3. to promote research into and the knowledge and study of the cause, improvement and application of treatments, cures and other medicinal agents, methods and processes that may relieve the suffering of those with cleft lips and palates.

The Trustees have paid due regard to guidance on public benefit issued by the Charity Commission in deciding what activities the Charity should undertake and believe that in reading the Trustees' report in totality that any reader would be satisfied the objects of the Charity have been achieved through the performance of the various worthwhile causes.

These objectives are achieved through on-going direct mail and advertising campaigns used to advance the education of the public and raise awareness of cleft lips and palates. These campaigns are also targeted at raising donations within the UK. The Charity uses the income received from these donations and other sources, net of related expenses, to fund cleft lip and palate treatment in countries around the world, by granting funds to Smile Train who has the infrastructure in place to directly carry out the Charity's objectives. Smile Train supports free cleft surgery and comprehensive cleft care to children in developing countries. Through training local doctors and empowering partner hospitals around the world, Smile Train advances a sustainable solution and scalable model to treat clefts, drastically improving children's lives, including their ability to eat, breathe, and speak over time. There are many children living with untreated clefts who do not have access to proper treatment.

Throughout the year staff employed by Smile Train provide management and operational services to the Charity, along with various marketing and administrative services. These services are not paid for by the Charity. The value of these donated services is £420,586 (2019: £445,603) and this has been included within the Group Statement of Financial Activities.

ACHIEVEMENTS AND PERFORMANCE

During the year the Charity paid £3,700,000 (2019: £3,500,000) in programme activities cost (see Note 6). The Charity granted these funds to Smile Train to fund cleft lip and palate treatment in countries in need around the world.

Through its public education and awareness initiatives the Charity believes it has reached millions of households in the UK and has successfully brought attention to the cause of cleft lip and palate, help to prevent clefts, how to repair clefts and the prevalence of this birth defect in developing countries. The Charity benefits from its relationship with Smile Train by leveraging management, operational support and administration as well as its contractual relationships with Smile Train partner hospitals. The Charity grants funds to Smile Train for cleft treatment primarily in Bangladesh, India, Indonesia and Pakistan.

We have referred to Smile Train's treatment programmes in Bangladesh, India, Indonesia and Pakistan but Smile Train undertakes a number of other activities. Below are examples of some of the work undertaken by Smile Train around the world, which is in part funded by grants received from the Charity. More information along with the Smile Train, Inc. and Affiliates Combined Audited Financial Statements and the annual report can be found on Smile Train's website www.smiletrain.org.

SURGERIES PERFORMED

The Charity funded approximately 15,102 (2019: 14,977) free cleft surgeries through Smile Train partner hospitals for children primarily in Bangladesh, India, Indonesia and Pakistan. Smile Train, its affiliates and the Charity continue to lead the way in free, high-quality cleft surgery for poor children around the world. In 2020, on average, every 5 minutes a Smile Train surgery helped a child in need. Smile Train's cleft care spanned 5 continents through partnerships with more than 2,100 health professionals and 1,100 hospitals. Since its founding in 1999, Smile Train has now supported more than 1,500,000 free cleft surgeries and comprehensive cleft care for patients in 90+ countries.

Smile Train, Inc. and its affiliates also performed the following charitable activities, among other initiatives, during the fiscal year. In the future, in addition to funding cleft surgeries, the Charity may choose to fund similar activities.

PARTNERSHIPS

The key to helping more children is investing in partnerships with local medical professionals and collaborative organisations that can provide free cleft surgeries and the related cleft care that these children need. Smile Train is always searching for new partners in the developing world who have the experience, passion, human resources and infrastructure to provide safe and high-quality cleft lip and palate treatment.

At the end of fiscal year 2020, there were more than 1,100 Smile Train partner hospitals around the world, serving children in need of cleft care in their communities. Through partnerships and programmes with Smile Train, these hospitals and local medical teams were able to provide safe, free, high-quality cleft treatment to children with clefts in their communities.

GRANTS AWARDED

In addition to the partner programmes that deliver the free cleft surgeries that Smile Train provides, the following grants are also awarded to help strengthen the cleft programmes of hundreds of doctors, hospitals, charities and organisations who help poor children suffering with clefts.

EDUCATION AND TRAINING GRANTS

Smile Train supported educational and training opportunities in fiscal year 2020, including:

July 2019 – Interdisciplinary Management of VPI

15 professionals attended this training in Santiago, Chile from July 3-5. Geared towards speech therapists, odontologists and surgeons, this course focused on increasing their knowledge about the correct and interdisciplinary management of velopharyngeal insufficiency

September – October 2019 ASPS/PSF/Smile Train International Scholarship Program

Two leading Smile Train partner surgeons, Dr. Sundereshwer C. Sood from India and Dr. Tahmeed Tahmeedullah from Pakistan, were selected as 2019 Smile Train - American Society of Plastic Surgeons - Plastic Surgery Foundation International Scholars. They were honoured at the annual ASPS meeting in San Diego, CA USA and will dedicate more than two weeks to intensive cleft training with top cleft centers across the United States. The advanced interdisciplinary training that they receive will help our Smile Train partner surgeons implement similar comprehensive approaches and enhance the cleft care that they provide in their countries.

December 2019 – Tanzania Nutrition Training

12 nutritionists and nurses from Tanzania and Rwanda received training on comprehensive care through nutrition and feeding from December 8-12 in Dar es Salaam. The training focused on equipping the trainees with information on the nutritional care and rehabilitation of malnourished cleft children.

February 2020 – BLS and PALS Training

Smile Train hosted an American Heart Association training in Senegal from February 27-28. 12 anesthesia providers received essential skills and certification in BLS and PALS to ensure they can effectively monitor adult and pediatric patients and intervene in the event of any complications.

February 2020 – Safe Nursing Care Saves Lives Training

Smile Train hosted a Safe Nursing Care Saves Lives training at St. Carolus Hospital in Jakarta, Indonesia from February 26-28. 30 nurses participated in this essential skills-building course to increase the competency and confidence of nurses providing perioperative care for children undergoing cleft lip and palate surgery. More than 1,500 nurses from 24 countries have been trained through this important course since it was developed in 2012.

Virtual Surgery Simulator

Smile Train's innovative and award winning Virtual Surgery Simulator is an interactive, web-based, 3D tool that provides users with essential information on cleft anatomy and cleft surgical repair techniques. Since its launch in 2013, the Simulator has become a key to empowering and training local doctors to perform cleft surgery in their own communities. It has now been accessed by more than 4,000 registered users in more than 140 countries.

SMILE GRANTS

While Smile Train grants predominantly focus on medical treatment, this grant programme targets the poorest of the poor who would never make it to the hospital for treatment without additional financial support to help the family with expenses such as food and shelter during their stay, money to cover the cost of traveling to and from the hospital, or money

to help offset a parent's lost wages during a hospital stay. While the amount of support a family needs in this regard is often relatively small, it can mean the difference between a child receiving surgery or living their life with an unrepaired cleft.

COMPREHENSIVE CARE GRANTS

Smile Train's vision is to ensure every child born with a cleft can lead a full and productive life. A key to this is the critical pre-operative and follow-up care such as nutritional support, speech therapy and orthodontics that many patients require along with cleft surgery. Comprehensive Cleft Care Grants augment and enhance the free cleft surgery programmes and help these children learn to speak properly and, ultimately, have the opportunity for a full life ahead.

EQUIPMENT GRANTS

These grants assist hospitals in purchasing essential equipment such as surgical instruments, pulse oximeters, and anesthesia machines for the operating room to help increase the number of children who can be treated and to ensure safe surgery and cleft care for all Smile Train patients.

SPECIAL GRANTS

Due to the global COVID pandemic, Smile Train has put an emphasis on awarding grants to help our partners provide telemedicine services in order to limit in-person contact when possible. Through grants for telemedicine, partners are able to remain in touch with their patients, helping to care for them even while remaining socially distant. Through telemedicine, life-saving care, such as breastfeeding guidance for mothers of babies born with clefts, has been able to continue. Smile Train's medical partners have remotely treated thousands of cleft patients— providing vital guidance to families, assisting new patients awaiting surgery, and identifying and helping those in need of food and supplies.

FINANCIAL REVIEW

We have set out the full details of our consolidated income and expenditure in the group statement of financial activities (SOFA) on page 20. The income for the year, principally representing income from donors was £7.9m (2019: £6.3m). The group total expenditure, principally representing programme and fundraising costs, were £7.3m (2019: £6.3m). As a result, recorded net income resources was £600k (2019: net expenditure £5k). Unrestricted funds at the end of fiscal year 2020 stood at £1.4m (2019: £776k).

The summarized results for the year's trading of The Smile Train UK Trading Company Limited is given on pages 25-26 of the notes to the financial statements. The Smile Train UK Trading Company Limited directors consider the company's state of affairs to be satisfactory. The directors are not anticipating any major changes to the activities of the company.

FUNDS

The Charity holds two types of funds – Restricted Funds and Unrestricted Funds.

Restricted Funds are those funds for which the original donors specified, directly or indirectly, the purposes for which they wanted the money to be used. The Trustees manage these funds but are governed by the donors' wishes as to how the funds are utilised. During the year ended 30 June 2020, £48,672 (2019: £60,247) of such restricted donations were spent in accordance with the donors' directions and £nil (2019: £34,142) were remaining to be spent.

Unrestricted Funds are those funds for which the original donors did not give any particular instructions as to how they wished the funds spent. These funds are allocated by the Trustees at their discretion. At the end of the year, the value of these funds stood at £1.4m (2019: £776k).

RESERVES POLICY

The reserves policy is reviewed annually by the Trustees. In reviewing the risks faced by the Charity and its operational plans for the forthcoming period, the Trustees have decided that it is appropriate that the Charity holds reserves of £150,000. This level of reserves has been maintained throughout the year. As there are unrestricted funds of £1,261,385 (2019: £626,380) held in excess of this level, these can be spent on raising funds and charitable activities. The Trustees are considering whether to increase the reserve level to ensure that in the event of a significant drop in funding, they will be able to continue the Charity's current functions while consideration is given to ways in which additional funds may be raised.

Considering the COVID-19 crisis, the level of reserves has been reviewed and found to be appropriate given the level of uncertainty and the nature of the developing crisis.

FUNDRAISING

We respect all our donors and their decisions, and we pride ourselves on achieving a high standard of supporter care and fundraising activities. We are registered members of the Fundraising Regulator and are committed to operating in a transparent and accountable way. Our Pledge to Donors can be found at <https://smiletrain.org.uk/about/our-pledge-to-donors>. Similarly, we are happy to hear from our donors whether it is to provide feedback or make a complaint. Details on

how to reach out to us with a question or concern can be found at: <https://smiletrain.org.uk/about/faq#n8485>. We received 3 new complaints during FY20 all of which were resolved in accordance with Smile Train UK's Complaints Procedure. None were escalated to the Fundraising Regulator (2019: We received one complaint in June 2018 which was subsequently escalated to the Fundraising Regulator and resolved in October 2018.)

We understand the importance of keeping our donors' data safe and secure. Our dedicated Supporter Care team are on hand to respond to supporter queries, update details and contact preferences. We have established a data protection working group to lead on updating of our data protection policy to ensure continued compliance with the General Data Protection Regulation (GDPR).

As well as our in-house fundraising team, we rely on trusted partners to fundraise on our behalf. All third-party fundraising organisations go through a robust procurement process. Formal, regular training is undertaken to ensure that the charity is represented in a way that reflects our values and mission at all times. Fundraising activities are monitored through call recordings. All activity is planned and budgeted at the start of the financial year. Performance is monitored on an on-going basis by the campaign manager. We are committed to ensuring that all donors are treated fairly. Our fundraisers and fundraising partners are trained on the Code of Fundraising Practice and Smile Train UK's Fundraising and Vulnerable People Policy. We aim to make every one of our supporters feel inspired and in control of their experience with us and encourage and welcome their feedback and involvement to help us improve. Without them, we couldn't continue to make a difference to children's lives.

KEY MANAGEMENT PERSONNEL COMPENSATION

As part of the annual budgeting process the Trustees review and approve, as appropriate, recommended compensation and changes to positions based on market analysis process. Trustees determine that compensation is reasonable based upon information sufficient to determine whether the value of services is the amount that would ordinarily be paid for like services by similar organizations; the availability of similar services in the geographic area of the Charity and current compensation surveys compiled by independent firms.

PLANS FOR THE FUTURE

Thanks to the generosity of our donors, Smile Train, its affiliates and the Charity, during fiscal year 2020, were able to support safe, free cleft surgeries (15,102 for the Charity) for poor children, launch programmes in new sites, train a record number of cleft care providers and grow our programmes all over the world.

For fiscal year 2020, the Charity continued to develop and deliver a strategic approach to building loyalty and raising income from the existing donor-base, while continuing to recruit new donors via the most effective means possible in accordance with sector best practice. Mass individual donor acquisition activity through Face to Face fundraising was stopped due to decreasing returns from the channel. Direct Response Television activity has been scaled with additional investment currently projected to break-even in year four. In addition to direct marketing aspects of the program, the Charity continues to grow engagement from Corporates, Major Donors, Trusts and Foundations and Community, Schools and Athletics fundraising. We continue to closely monitor and evaluate all fundraising activity.

The Charity appointed Daryl Upsall consultancy to carry out a strategic review of fundraising program, including reviewing Smile Train's market positioning, and providing sector insights and critical assessment of fundraising activities to date, to inform future fundraising activity and strategy. This year, the current fundraising performance ratio was 42%, when comparing costs of £3.1m against the income raised of £7.4m.

In fiscal year 2020, grants from the Charity to Smile Train will continue to be made under a grant agreement, which outlines Smile Train's reporting obligations to the Charity.

While Smile Train and the Charity were busy doing all of these things this past year, an estimated 170,000 children were born with clefts in the developing world. Without intervention, these children have little prospect of ever receiving the cleft care they so desperately need. Their families, often living on less than £1 a day are too poor to ever afford surgery. Without Smile Train support, their local doctors and hospitals are too overburdened to provide free cleft care programmes. And their government may not consider the problem of clefts a high priority when compared to other life threatening afflictions.

The Charity cares about these children and with the continued support of our donors, and working with Smile Train, will keep working hard to grow cleft lip and palate treatment programmes, train more doctors, raise awareness, find more partners and, ultimately, help more children in need.

In addition to providing much needed surgery, the Charity will fund programmes to address comprehensive cleft care, including nutrition, speech therapy and orthodontics.

The Charity will continue to work with Smile Train to meet its objectives for the future.

STATEMENT OF TRUSTEES' RESPONSIBILITY

The trustees (who are also directors of The Smile Train UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report is prepared in accordance with the provisions of the Companies Act applicable to small entities.

By order of the board of trustees



S Schaefer
Trustee

Date: 26 January 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SMILE TRAIN UK

OPINION

We have audited the financial statements of The Smile Train UK for the year ended 30 June 2020 which comprise the group and parent charitable company balance sheets, the group statement of financial activities, group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 11 March 2020

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE SMILE TRAIN UK GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2020

		Unrestricted funds	Restricted funds	Total 2020	Total 2019
	Note	£	£	£	£
Income from:					
Donations and legacies	2	7,870,252	14,530	7,884,782	6,269,375
Other trading activities	4	25,000	-	25,000	25,000
Investments		662	-	662	374
Total		7,895,914	14,530	7,910,444	6,294,749
Expenditure on:					
Raising funds	6	3,102,725	-	3,102,725	2,383,662
Charitable activities	6	3,651,328	48,672	3,700,000	3,500,000
Other	6	506,856	-	506,856	415,823
Total		7,260,909	48,672	7,309,581	6,299,485
Net income/ (expenditure)		635,005	(34,142)	600,863	(4,736)
Fund balances at 1 July 2019		776,380	34,142	810,522	815,258
Fund balances at 30 June 2020		1,411,385	-	1,411,385	810,522

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE SMILE TRAIN UK GROUP & PARENT CHARITABLE COMPANY BALANCE SHEETS AS AT 30 JUNE 2020

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed assets					
Tangible assets	9	643	180	643	180
Investments		-	-	1	1
Total Fixed Assets		643	180	644	181
Current assets					
Debtors	10	266,564	110,008	254,577	123,021
Cash at bank and in hand		1,575,503	1,167,949	1,561,465	1,133,030
Total Current Assets		1,842,067	1,277,957	1,816,042	1,256,051
Liabilities					
Creditors falling due within one year	11	(431,325)	(467,615)	(427,725)	(460,815)
Current assets less current liabilities		1,410,742	810,342	1,388,317	795,236
Net Assets		1,411,385	810,522	1,388,961	795,417
The funds of the charity					
Restricted funds	12	-	34,142	-	34,142
Unrestricted funds					
General funds held as part of reserves policy	13	150,000	150,000	150,000	150,000
General funds for distribution		1,261,385	626,380	1,238,961	611,275
Total charity funds		1,411,385	810,522	1,388,961	795,417

The net income for the charity only for the year ended 30 June 2020 was £593,544 (2019 net expenditure: £27,242)

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

Approved and authorised for issue by the Board of Trustees on 26 January 2021 and signed on their behalf



S Schaefer
Trustee

Date: 26 January 2021

Charity Registration No. 114748
Company Registration No. 05738962

THE SMILE TRAIN UK CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 30 JUNE 2020

		2020	2019
	Note	£	£
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	(a)	408,411	176,787
Cash flows from investing activities:			
Purchase of tangible fixed assets	9	(857)	-
Change in cash at bank and in hand in the reporting period		407,554	176,787
Cash at bank and in hand at the beginning of the reporting period		1,167,949	991,162
Cash at bank and in hand at the end of the reporting period		1,575,503	1,167,949

Notes to the statement of cash flows

(a) Reconciliation of net cash used in operating activities

Net income (expenditure) for the reporting period		600,863	(4,736)
Adjustments for:			
Depreciation		394	360
Increase in debtors		(156,556)	(35,447)
Increase (decrease) in creditors		(36,290)	216,610
Net cash provided by operating activities		408,411	176,787

THE SMILE TRAIN UK NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The Smile Train UK was incorporated in England and Wales as a charitable company limited by guarantee and governed by its Memorandum of Association.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Smile Train UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling (£).

1.2 Preparation of the accounts on a going concern basis

After reviewing the group's forecasts, projections, and taking into consideration the COVID-19 crisis, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The trustees are pleased to report that at this time that the COVID-19 crisis has not had any impact on the group's fundraising and ability to administer and provide grants. The group therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Group financial statements

The financial statements consolidate the results of the charity The Smile Train UK and its wholly owned subsidiary, The Smile Train UK Trading Company Limited (the 'Group') on a line-by-line basis.

The Charity has taken the exemption under section 408 of Companies Act 2006 from presenting an individual company Statement of Financial Activities.

1.4 Income

Donations and other forms of voluntary income are recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken once the charity is aware that probate has been granted and either final estate accounts have been approved, notification has been made by the executor(s) that a distribution will be made, or a distribution has been received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 3).

1.5 Donated services

The Group benefits from services donated to it by Smile Train, Inc. These donated services are recognised within the Group Statement of Financial Activities and are valued at the cost incurred by Smile Train, Inc being the value to the Group.

1.6 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Expenditure on raising funds is that incurred in attracting voluntary income.

Other costs are those incurred in connection with administration of the charity and compliance with statutory requirements.

Charitable activity costs reflect the costs associated with funding surgeries through Smile Train, Inc. and the production of printed public educational material and services to raise awareness, both of which are considered to further the Group's objectives. When educational material is distributed as part of a joint-purpose mailing, the costs are allocated across the expenditure categories on the basis of word count.

1.7 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

1.8 Funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds comprise funds which have been set aside at the discretion of the Trustees, for specific purposes.

1.9 Tangible fixed assets and depreciation

The Group capitalises expenditures for fixtures, fittings and equipment and leaseholds in excess of £1,000 which are stated at cost less accumulated depreciation and amortisation.

Depreciation of fixtures, fittings and equipment is provided using the straight-line method over the following estimated useful lives:

Fixtures and fittings	5 years
Equipment	3 years

Leasehold improvements are amortised over the term of the related lease or the estimated useful life of the improvement, whichever is shorter.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Creditors and provisions

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Significant judgments and estimates

There are no items in the financial statements where management were required to make significant judgements and estimates that would have a significant risk of causing a material adjustment to the financial statements.

1.13 Retirement benefits

The Group offers its employees the opportunity to participate in a defined contribution scheme. The amounts charged to the Statement of Financial Activities represent the contributions payable to the scheme during the period.

1.14 Financial instruments

The Group has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

2 *Donations and legacies*

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations	4,608,217	14,530	4,622,747	4,242,843
Legacies	2,800,574	-	2,800,574	1,580,929
Donated Services	461,461	-	461,461	445,603
Total	7,870,252	14,530	7,884,782	6,269,375

Donated services are represented by management, operational, administrative, marketing and fundraising services provided by Smile Train, Inc. staff to the Group at no cost, of £420,586 (2019: £445,603). Donated services also includes fundraising consultant service fees of £40,875 (2019: £nil).

Income from donations and legacies in 2019 was £6,269,375 of which £6,176,406 was unrestricted and £92,969 was restricted.

3 *Legacy Notifications*

At 30 June 2020, in addition to legacy income that has been included in voluntary income, the Group is expected to benefit from a number of legacies from estates for which the administration had yet to be finalised. The Group's future income from these legacies is estimated at approximately £1.47m (2019: £1.3m).

4 *Trading*

In fiscal year 2020, other trading income was £25,000 (2019: £25,000)

5 *Investment in Subsidiary*

The Smile Train UK Trading Company Limited - Registration No. 09094982

The company acts as a trading subsidiary for its parent company, The Smile Train UK, which is a charity registered with the Charity Commission in England and Wales. The principal activity of the company in the year under review was to conduct the trading activities of its parent company. The profits of The Smile Train UK Trading Company Limited are paid to the charity. The Smile Train UK Trading Company Limited's directors during 2020 were R Bell, A McCarthy and S Schaefer.

Profit and Loss Account of the Smile Train UK Trading Company Limited

	2020	2019
	£	£
Turnover	25,000	25,000
Expenditure	(2,576)	(2,494)
Profit (loss) for the year	<u>22,424</u>	<u>(22,506)</u>

Balance Sheet of The Smile Train UK Trading Company Limited

	2020	2019
	£	£
Current Assets		
Cash at bank and in hand	14,038	34,919
Accounts receivable	25,000	
Creditors: amounts falling due within one year	(16,613)	(19,813)
Net assets	22,425	15,106
Capital and reserves		
Called up share capital	1	1
Profit and loss account	22,424	15,105
Equity shareholders' funds	22,425	15,106

6 *Expenditure*

	Staff costs	Other costs	Total 2020	Total 2019
	£	£	£	£
Raising funds				
Advertising and fundraising costs	162,997	2,663,815	2,826,812	2,077,717
Smile Train Inc. staff	275,913	-	275,913	305,945
	438,910	2,663,815	3,102,725	2,383,622
Charitable activities				
Programme costs	-	3,700,000	3,700,000	3,500,000
Support costs and governance				
Staff costs	81,499	-	81,499	85,784
Audit fees	-	25,360	25,360	28,320
Other accounting fees	-	1,800	1,800	1,800
Legal fees	-	99,461	99,461	65,976
Smile Train Inc. staff	144,673	-	144,673	139,658
Other administrative expenses	-	154,063	154,063	94,285
	226,172	280,684	506,856	415,823
Total	665,082	6,644,499	7,309,581	6,299,485

Expenditure on charitable activities in 2019 was £3,500,000 of which £3,439,753 was unrestricted and £60,247 was restricted. Expenditure on raising funds and other costs in 2019 was wholly unrestricted.

The Group staff costs relate to work carried out on the marketing and fundraising strategies, the cultivation of major donors and the management of the donation processing, direct marketing and media placement suppliers. Two thirds of staff compensation have been allocated to advertising and fundraising costs while one third is allocated to support staff costs.

Grants made to Smile Train Inc. of £3,700,000 (2019: £3,500,000) are included in programme costs for direct inclusion in their programme expenses.

Donated services are management, operational, administrative, marketing and fundraising services provided by Smile Train staff or other third parties to the Charity at no cost.

7 *Trustees*

During the year ended 30 June 2020, none of the trustees received compensation for his or her services or were reimbursed expenses by the Group.

8 *Employees*

Number of employees

There were 7 employees throughout the year (2019: 6).

Employee Costs	2020	2019
	£	£
Wages and salaries	213,749	221,770
Social security costs	20,950	22,782
Other pension costs	5,263	5,576
	239,962	250,128

One employee earned between £70,000 and £80,000 during the year (2019: One employee earned between £70,000 and £80,000 during the year)

Of these employees, retirement benefits are accruing under pension schemes funded by the group to 1 employee (2019: 1).

The key management personnel of the group are comprised of the Charity's trustees, Director of Fundraising, Manager of Direct Marketing and Smile Train's CEO and VP of Finance. Only the Director of Fundraising and the Manager of Direct Marketing are paid through the Charity. The employee benefits of these two Charity's key management personnel amounted to £122.653 (2019: £127,450).

9 *Tangible fixed assets*

Group and Charity

Cost	Fixtures, fittings and equipment
	£
At 1 July 2019	2,084
Additions	857
Disposals	(1,004)
At 30 June 2020	1,937
Depreciation	
At 1 July 2019	1,904
Charge for the year	394
Disposals	(1,004)
At 30 June 2020	1,294
Net book value	
At 1 July 2019	180
At 30 June 2020	643

10 *Debtors*

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
Prepayments and accrued income	266,564	241,564	110,008	110,008
Amounts due from subsidiary	-	13,013	-	13,013
	255,564	254,577	110,008	123,021

11 *Creditors: amounts falling due within one year*

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
Trade creditors	210,599	208,799	86,353	86,353
Amounts owed to group undertakings	60,738	60,738	51,243	51,243
Accruals	159,988	158,188	330,019	323,219
Total	431,325	427,725	467,615	460,815

12 *Restricted Funds*

The income funds of the Group include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Group and Charity

	Balance at 1 July 2019	Income	Expenditure	Balance at 30 June 2020
	£	£	£	£
Restricted donations	34,142	14,530	(48,672)	-
	34,142	14,530	(48,672)	-
	Balance at 1 July 2018	Income	Expenditure	Balance at 30 June 2019
	£	£	£	£
Restricted donations	1,420	92,969	(60,247)	34,142
	1,420	92,969	(60,247)	34,142

Donations received are recorded as unrestricted or restricted, depending on the nature of the donor's restriction. All donor-restricted donations are recorded as restricted income if the donation is received with donor conditions that restrict its use. Of the £14,530 of restricted funds received in 2020, approximately £8,150 was restricted to support our programmes in Africa.

13 *Analysis of net assets between funds*

Group

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 30 June 2020 are represented by:			
Fixed assets	643	-	643
Current assets	1,842,067	-	1,842,067
Creditors: amounts falling due within one year	(431,325)	-	(431,325)
Total	1,411,385	-	1,411,385

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 30 June 2019 are represented by:			
Fixed assets	180	-	180
Current assets	1,243,815	34,142	1,277,957
Creditors: amounts falling due within one year	(467,615)	-	(467,615)
Total	776,380	34,142	810,522

14 *Operating lease commitments*

At 30 June 2020, the Group was committed to making the following payments under non-cancellable operating lease.

	Land and buildings:	
	2020	2019
	£	£
Operating leases which expire:		
Within one year	11,700	11,142

15 *Related parties*

Smile Train Inc. paid expenses totaling £9,495 (2019: £22,211) on behalf of the Group during the year and the Group paid £nil (2019: £ nil) on behalf of Smile Train Inc. during the year. £60,738 (2019: £51,243) was owed to Smile Train Inc. as at 30 June 2020.

In addition, the Group granted £3,700,000 (2019: £3,500,000) to Smile Train Inc. to fund their jointly-stated charitable activities. In addition, the time of Smile Train Inc. staff provided at no cost has been recognised as a Gift in Kind (in income and expenditure) as stated in Note 2.

Smile Train Inc. is the sole company law member of the Group. The Group is therefore a subsidiary of Smile Train Inc. although the Board of Trustees of the Group are responsible for its day to day management.

16 *Parent undertaking*

The company's ultimate parent undertaking is Smile Train Inc., a US-based non-profit organisation headquartered in New York City. Its offices are located at 633 Third Avenue, New York, NY 10017. Smile Train Inc. and Affiliates accounts are available on www.smiletrain.org.



A charity registered with the Charity Commission for England and Wales No. 1114748
The Smile Train UK is a company limited by guarantee, registered in England and Wales
Registered Office 10 Queen Street Place, London EC4R 1BE.
Company No. 05738962

The Smile Train UK
York House
Wetherby Road
York YO26 7NH
+44 0300 303 9630
ukinfo@smiletrain.org
smiletrain.org.uk

Smile Train Updates on:

